



OCEAN MARINE INSURANCE CLAIMS INFORMATION

The following is useful information which will expedite the handling of claims and protect your rights under ocean marine insurance policies.

It is important to bear in mind unique circumstances may, at times, require additional documentation activities or procedures. Any questions relating to marine claims can be directed to your producer or the marine claim office listed below.

IMPORTANT: In the event of loss or damage, you are obligated to take necessary steps to mitigate the claim. Expenses reasonably incurred in taking such action are reimbursable under policy terms and condition. Failure to take necessary action can result in prejudice of your rights under your policy.

WHAT TO DO IN THE EVENT OF LOSS

1. You or your producer should notify IMU of all claims for damage to insured vessels or property as soon as the loss occurs.
2. You or your producer should notify IMU of all injury claims. Serious injuries or death claims should be reported to us immediately by telephone so we can determine the need to dispatch a surveyor, investigator and/or attorney to the accident site.

NOTICE OF CLAIMS TO RESPONSIBLE PARTIES

The premium you are charged for your insurance is ultimately influenced by your experience on your policy. It is therefore in your best interest to ensure losses are reduced by placing us in a position to recover all or part of our payment to you from any responsible third party. This is called subrogation and your cooperation in this regard is further reinforced by policy terms. Monies collected by us in subrogation are credited to your premium / loss experience. If a third party is responsible for the loss, written notice of claims should be promptly made directly against such party with copy to the below marine claim office.

CLAIMS REPORTING

You or your producer have several options to report claims to International Marine Underwriters/ OneBeacon:

By phone at 877-248-3455 – Claims phoned into the 24/7 Call Center before 7p.m. EST will be immediately assigned a claim number. Producers can go to the producer portal the next business day to view the claim.

By email claims@imu.com – When you wish to include attachments to accompany a claim, email reporting is ideal. To submit a claim via email, you will need to include an ACORD First Notice of Loss Form. Please report only one claim per email. The sender's email confirmation will serve as the acknowledgement that we have received the claim.

By Fax at 866-213-2802 – Only one claim should be submitted per fax transmission. The sender's fax receipt will serve as confirmation that we have received the claim



The company issuing this policy is indicated below:

Atlantic Specialty Insurance Company *

605 Highway 169 North, Suite 800

Plymouth, MN 55441

* A Stock Company

Policy Number: B5JH04214

New

COMMERCIAL MARINE PACKAGE DECLARATION PAGE

Named Insured and Address: BOGDAN BINDEA 1065 TILMON ROAD CHARLOTTESVILLE, VA 22901	Producer Name and Address: (3702289) USG INSURANCE SERVICES, INC. 1000 TOWN CENTER WAY, SUITE 300 CANONSBURG, PA 15317
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Policy Period: 12:01 AM	at place of Issuance	FROM: March 20, 2020
		TO: March 20, 2021

Schedule of Covered Locations	
1	TBA Fort Lauderdale, FL 333010000

Description of Covered Operations:
Supply Vessel

Coverage Section	Coverage Part	Covered/ Not Covered	Premium
Section I – Commercial Marine Liability			
	Part I Marine General Liability	Covered	
	Part II Protection & Indemnity	Covered	
	Part III Bailee Liability	Covered	Included
	Part IV Pollution Liability	Not Covered	
Section II – Hull Physical Damage			
	Part I Hull Physical Damage	Covered	
	Part II Hull Builders Risk	Not Covered	
Section III – Property Physical Damage			
	Part I Piers, Wharves & Docks	Not Covered	
	Part II Mobile Equipment	Not Covered	
	Part III Fixed Marine Property	Not Covered	
	Part IV Pollution Physical Damage	Not Covered	

Additional Coverages		Not Covered	
Premium			
Terrorism		Not Covered	
State Surcharge			
Premium Payable	Agency Bill	Total Premium	

SUBJECT TO CONDITIONS OF FORMS ATTACHED HERETO.

LIMITS OF LIABILITY, AMOUNTS OF INSURANCE, AND DEDUCTIBLES AS PER THE DECLARATIONS PAGES.

Coinurance Contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the insured.

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY TOGETHER WITH OTHER SUCH PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

IN WITNESS WHEREOF, this Company has caused this Policy to be executed below, but this Policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Secretary



President

Authorized Representative

**SECTION I DECLARATIONS
COMMERCIAL MARINE LIABILITY COVERAGES**

Combined Single Limits / Deductible (applicable to all Section I Coverage Parts)	Limit
Each Occurrence	\$1,000,000
Products-Completed Operations Aggregate Limit	\$1,000,000
General Aggregate (other than Prod./Comp Ops)	\$2,000,000
Medical Payments Limit of Insurance	\$5,000
Damage to Premises Rented - Limit of Insurance	\$100,000
Combined Single Liability Deductible	\$5,000

Coverage Part I – Marine General Liability

Rating Class	Rating Basis	Est. Amount	Rate	Premium	Premium Type
Supply Vessel	Gross Receipts	300,000	Agreed		Flat Premium Minimum Earned

Subtotal Premium

Total Marine GL Premium

Coverage Part II – Protection & Indemnity

Description of Vessel(s)

Vessel	Year Built	No. Crew	Premium
Name: M/V "Bob Rouse" Type: Supply Vessel Size: 110' Offshore Trawlers Supply Vessel	1977	3	

Subtotal Vessel Premium

Endorsement	Premium
Crew Coverage	

Subtotal Endorsement Premium

Total P&I Premium

Navigation Area

Within the east coast of Florida.

Coverage Part III - Bailee Liability

Covered Operations
Supply Vessel

The premium charge for this coverage part is included in Section I Coverage Part 1 above.

Endorsement	Limit	Deductible	Premium
Miscellaneous Bailee	\$0	\$0	Included

Total Bailee Liability Premium

Included

SECTION II DECLARATIONS HULL PHYSICAL DAMAGE COVERAGE

Coverage Part I – Vessel Hull Coverage

Description of Vessel(s)

Vessel	Year Built	Deductible	Rate	Premium
Name: M/V "Bob Rouse" Type: Supply Vessel Amt Insured & Agreed Value: \$400,000	1977	\$5,000	1.2500	

Subtotal Vessel Premium

Navigation Area

Within the east coast of Florida.

Insured: BOGDAN BINDEA

Policy: B5JH04214

SCHEDULE OF FORMS

IMU 0001 04 18	COMMERCIAL MARINE PACKAGE DECLARATIONS
IMU 0005 04 18	SUPPLEMENTAL DECLARATIONS
IMU 0008 01 07	SCHEDULE OF FORMS
IMU 0011 01 07	MARINE GENERAL LIABILITY INSURING CONDITIONS
IMU 0012 01 07	PROTECTION & INDEMNITY INSURING CONDITIONS
IMU 0018 09 07	SECTION I COVERAGE PART III MISCELLANEOUS BAILEE INSURANCE CONDITIONS
IMU 0021 01 09	SCHEDULE OF PAYMENTS
IMU 0031 05 08	HULL PHYSICAL DAMAGE INSURING CONDITIONS
IMU 0061 03 20	GENERAL EXCLUSIONS FROM COVERAGE APPLICABLE TO ALL SECTIONS
IMU 0071 03 20	GENERAL CONDITIONS FOR COVERAGE APPLICABLE TO ALL COVERAGE SECTIONS
IMU 0112 01 07	CREW ENDORSEMENT
IMU 0117 01 07	TRAVELING WORKMEN ENDORSEMENT
IMU 0249 08 16	CYBER EXCLUSION CLAUSE
IMU 0250 08 16	DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES
IMU 0311 01 07	COMBINED SINGLE LIMITS OF INSURANCE
IMU 0312 01 07	COMBINED SINGLE DEDUCTIBLE

3 0 3702289 03/23/2020 K1G CPW PR 1.000

Policy: B5JH04214

Insured Name and Address:

BOGDAN BINDEA
 1065 TILMON ROAD
 CHARLOTTESVILLE, VA 22901

Producer Name and Address:

USG INSURANCE SERVICES, INC.
 1000 TOWN CENTER WAY, SUITE 300
 CANONSBURG, PA 15317

Installment Schedule - Insured

Installment Date	Amount
03/20/2020	
04/20/2020	
05/20/2020	
06/20/2020	
07/20/2020	
08/20/2020	
09/20/2020	
10/20/2020	
11/20/2020	
12/20/2020	
01/20/2021	
02/20/2021	
Total	

3 0 3702289 03/23/2020 K1G CPW PR 1.000

COMMERCIAL MARINE PACKAGE

INTRODUCTION

The Commercial Marine Package (CMP) is a collection of different kinds of coverage. The Declaration pages indicate which Coverage Parts are provided in this Policy, together with the limits of liability, deductibles, schedules of property and insured locations. Only those Coverage Parts for which the word "Covered" is indicated and a premium is shown on the Declarations, will be provided under the Policy.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declaration, and any other person or organization qualifying as an Insured under this policy. The words "we", "us", "our" and "underwriter" refer to the Company providing this insurance.

The liability coverages available through this CMP, at our option, are designated under Section I as the following Coverage Parts:	
Section I	Commercial Marine Liability Part I – Marine General Liability Part II – Vessel Protection & Indemnity Part III – Bailee Liability Part IV – Limited Pollution Liability
The Hull Physical Damage coverages Under Section II available through this Policy, at our option, are:	
Section II	Hull Physical Damage Part I – Vessel Hull Part II – Hull Builders' Risk
The Property Physical Damage coverages Under Section III available through this Policy, at our option, are:	
Section III	Property Physical Damage Part I – Piers, Wharves and Docks Part II – Mobile Equipment Part III – Marine Property Part IV – Limited Pollution Coverage
Each of the Coverage Parts is subject to its own terms, conditions, exclusions and endorsements. These provisions, together with the Declarations for the particular Coverage Part, should be read carefully since they determine rights, duties, limitations and what is and is not covered.	
In addition to the provisions for each Coverage Part, there are General Exclusions from Coverage applicable to all the Coverage Parts (unless specifically noted otherwise). These General Exclusions from Coverage are set forth in the section of this Policy designated:	
Section IV	General Exclusions from Coverage (Applicable to All Coverage Sections and Parts)
There are also General Conditions of Coverage which apply to all the Coverage Parts (unless specifically noted otherwise) in addition to the provisions of each Coverage Part. These General Conditions of Coverage are set forth in the section of this Policy designated:	
Section V	General Conditions of Coverage (Applicable to All Coverage Sections and Parts)
The General Exclusions (Section IV) and the General Conditions (Section V) should also be read carefully, since they determine rights, duties, limitations and what is and is not covered with respect to all the Coverage Parts selected under this Policy.	

Insured: BOGDAN BINDEA

Policy: B5JH04214

SCHEDULE OF NON-POLICY FORMS

IMU 0501 01 07	COMMERCIAL MARINE PACKAGE INTRODUCTION
IMU 0503 09 16	OCEAN MARINE INSURANCE CLAIMS INFORMATION

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SECTION I – APPLICABLE TO ALL SECTION I – COVERAGE PARTS LIMITATION ENDORSEMENT TO SECTION I – COVERAGE PARTS I, II, III & IV – COMBINED SINGLE LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 - d. The number of Coverage Parts provided in Section I.
 2. The **General Aggregate Limit** is the most we will pay for the sum of damages under Coverage Part I (except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"), II, III and IV.
 3. The **Products-Completed Operations Aggregate Limit** is the most we will pay under Coverage Part I for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
 4. Subject to 2. or 3. above, which ever applies, the **Each Occurrence Limit** is the most we will pay for the sum of damages under Coverage Parts I, II, III and IV because of all covered losses arising out of any one "occurrence".
 5. Subject to 4. above, the **Damage To Premises Rented To You Limit** is the most we will pay under Coverage A of Coverage Part I for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
 6. Subject to 4. above, the **Medical Expense Limit** is the most we will pay under Coverage C of Coverage Part I for all medical expenses because of "bodily injury" sustained by any one person.
- The Limits of Insurance of this Section I apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION I – APPLICABLE TO ALL SECTION I COVERAGE PARTS LIMITATION ENDORSEMENT TO SECTION I – COVERAGE PARTS I, II, III & IV – COMBINED SINGLE DEDUCTIBLE

The Deductible shown in the Declarations applies per "occurrence" for Section I – **Coverages**.

We shall not be liable for any claim or claims arising from any one event or "occurrence" unless the insured's total liability thereof, when determined, shall exceed the Deductible shown in the Declarations, in which event such amount shall be deducted from the Insured's total liability aforesaid, and the Company shall be liable only for such excess, subject to the Combined Single Limits of Insurance. The term "claim" as used herein includes all cost and expense including defense cost. If the Company shall pay such deductible amount on behalf of the Insured, the Insured shall thereupon reimburse the Company.

SECTION I COVERAGE PART – I

MARINE GENERAL LIABILITY INSURING CONDITIONS

Subject to the General Exclusions from Coverage (Section **IV**) and the General Conditions to Coverage (Section **V**), this Coverage Part insures your Marine General Liability.

In the event this Coverage Part differs from the General Conditions to Coverage (Section **V**), the General Conditions shall be considered paramount and shall override anything to the contrary herein.

Other words and phrases that appear in quotation marks have special meaning. Refer to – Definitions at the end of this Coverage Part.

I. COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **III – Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements including expenses and defense cost under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of **General Conditions Section V – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **General Conditions Section V – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of General Conditions **Section V – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Master or crew member

"Bodily injury" to the master or crew of any "owned watercraft".

g. Non Scheduled premises

"Bodily injury" or "property damage" arising out of the ownership, occupancy, maintenance or use of any premises owned, leased or rented to you which is not scheduled in the declarations. This exclusion shall not apply to a premises rented or leased to you for 7 or fewer consecutive days.

h. Non Scheduled Operations

"Bodily injury" or "property damage" arising out of operations not scheduled in the declarations.

i. "Watercraft"

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "watercraft" owned or operated by or chartered, leased, rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "watercraft".

This exclusion does not apply to:

- (1) The "loading or unloading" of "watercraft" that is not owned or chartered, leased, rented or borrowed by any insured.
- (2) "Watercraft" while on shore at a location scheduled in the Declarations.
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of "watercraft".

j. Aircraft or Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or "auto" owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property

damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or "auto" that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (2) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft; or
- (3) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

k. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

l. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **III – Limits Of Insurance**.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

m. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

n. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

o. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

p. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

If such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through p. do not apply to damage by a "named cause of loss" to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **III – Limits of Insurance**. This Limit will apply to all damage proximately caused by the same event, whether such damage results from a "named cause of loss" or any combination thereof.

q. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

r. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

s. Year 2000 Computer-Related and Other Electronic Problems

"Bodily injury", "property damage", "personal and advertising injury" arising directly or indirectly out of:

- (1) Any actual or alleged failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) Computer hardware, including microprocessors;
 - (ii) Computer application software;

- (iii) Computer operating systems and related software;
- (iv) Computer networks;
- (v) Microprocessors (computer chips) not part of any computer system; or
- (vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (1)(a) above due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1)(a) above.

t. Fungi or Bacteria

- (1) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

u. Professional Liability

"Bodily injury", or "property damage" arising out of the rendering of or failure to render any professional services by you or any engineer, architect or surveyor who is either employed by you or performing work on your behalf in such capacity.

Professional services include:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- (2) Supervisory, inspection, architectural or engineering activities.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Part III – **Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements including expenses and defense cost under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Year 2000 Computer-Related and Other Electronic Problems

"Personal and advertising injury" arising directly or indirectly out of:

- (1) Any actual or alleged failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) Computer hardware, including microprocessors;
 - (ii) Computer application software;
 - (iii) Computer operating systems and related software;
 - (iv) Computer networks;
 - (v) Microprocessors (computer chips) not part of any computer system; or
 - (vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (1)(a) of this endorsement due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1)(a) of this endorsement.

n. Fungi or Bacteria

(1) "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

(2) Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

o. Professional Liability

"Personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or any engineer, architect or surveyor who is either employed by you or performing work on your behalf in such capacity.

Professional services include:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- (2) Supervisory, inspection, architectural or engineering activities.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit".
- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

II. WHO IS AN INSURED

Refer to Section V – General Conditions, Paragraph 1. Insured.

III. LIMITS OF INSURANCE

The amount we will pay for damages under Coverage A, B and C is limited to the **Combined**

Single Limits of Insurance listed in the Declaration and the **Combined Single Limits of Insurance** endorsement attached to **Section I – Declarations**.

IV. MARINE GENERAL LIABILITY CONDITIONS**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is a "named cause of loss" insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or "watercraft" to the extent not subject to Exclusion i and j. of I – **Coverage A – Bodily Injury And Property Damage Liability**.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

3. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

4. Deductible

This Coverage Part is subject to the Combined Single Deductible shown in the Declarations. Refer to **Combined Single Deductible** endorsement attached to **Section I Declaration**.

V. DEFINITIONS

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. **"Auto"** means:

- a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. **"Coverage territory"** means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in **a.** above;

- (2) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; or

- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Fungi"** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "fungi".
8. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
9. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by:

 - (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (2) Your fulfilling the terms of the contract or agreement.
10. **"Insured contract"** means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by "named cause of loss" to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
11. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
 12. **"Loading or unloading"** means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, "watercraft" or "auto";
 - b. While it is in or on an aircraft, "watercraft" or "auto"; or

- c. While it is being moved from an aircraft, "watercraft" or "auto" to the place where it is finally delivered;
- d. But "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, "watercraft" or "auto".

13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

14. "Named cause of loss" means the following: Fire; lightning; explosion; smoke; or leakage from fire extinguishing equipment.

15. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

16. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

17. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

18. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

19. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

20. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

21. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

22. "Watercraft" shall include but not be limited to, sailboats, powerboats, row boats, canoes, kayaks, barges, work floats, tugs, towboats all whether capable or not of moving under their own power; and/or designed to float on its own bottom, but whether or not it is floating, sunken, affixed to or resting on the bottom or shore by means of spuds, anchors, mooring lines or similar means.

23. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 24. "Your work":**
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION I COVERAGE PART- II

PROTECTION & INDEMNITY INSURING CONDITIONS

Subject to the General Exclusions from Coverage (Section IV) and the General Conditions to Coverage (Section V), this Coverage Part provides Protection & Indemnity Insurance.

In the event this Coverage Part differs from the General Conditions to Coverage (Section V), the General Conditions shall be considered paramount and shall override anything to the contrary herein.

Other words and phrases that appear in quotation marks have special meaning. Refer to – Definitions.

I. VESSEL

The Underwriters will pay on behalf of the Insured in respect of the matters set forth below, subject to all other terms hereof, in respect to the Vessel(s) scheduled in the Declarations.

II. COVERAGES

We will pay on behalf of the insured for any sums which the insured, as owner of the Vessel, shall have become liable to pay in respect of any casualty or "occurrence" during the currency of the Policy but only in consequence of any of the matters set forth hereunder, PROVIDED, however, that if the interest of the Insured is or includes interest other than owner of the Vessel, the underwriters' liability shall not be greater than if the Insured was the owner entitled to all defenses and limitations of liability to which the shipowner is entitled:

A. Loss of life, bodily injury or illness but excluding:

1. Any obligation under any compensation act including but not limited to: Worker's Compensation Law, Unemployment Compensation Law, Disability Benefit Law, United States Longshoremen's and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, or any similar law or liabilities.
2. Any liability of whatsoever nature of the insured or vessel, whether you may be liable as employer or vessel owner or in any other capacity whatsoever, to any captain or crew of the vessel or any other employees.
3. Any liability of whatsoever nature of the insured or vessel to the spouse, child, parent, brother, sister, relative, dependent or estate of any captain or crew of the vessel.

B. Hospital, medical and other expenses necessarily and reasonably incurred with respect to loss of life, bodily injury to, or illness of, any person other than a captain or crew member of the vessel.

C. Collision with any other vessel, craft or structure, floating or otherwise (including her tow); or

1. Stranding her tow; or
2. Cause her tow to come into collision with any other vessel, craft or structure, floating or otherwise; or
3. Cause any other loss or damage to her tow or the freight thereof or the property on board.

When both vessels are to blame, then, unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this Collision & Towers Clause shall be settled on the principle of Cross-Liabilities, as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the insured in consequence of such casualty.

It is hereby agreed that the principles involved in this clause shall apply to the case where two or more of the vessels involved are the property, in part or in whole, of the same Insured, all questions of responsibility and amount of liability as between such Vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the Insured and one to be appointed by Underwriters; the two Arbitrators so chosen to choose a third Arbitrator before entering upon the referenced, and the decision of such single Arbitrator, or of any two of such three Arbitrators, appointed as above, to be final and binding.

D. Cost or expense of, or incidental to, any attempted or actual removal or disposal of obstructions, wrecks or their cargoes under statutory power or otherwise pursuant to law, PROVIDED, however, that there shall be deducted from such claim for cost of expenses, the value of any salvage from the wreck inuring to the benefit of the Insured or any subrogee thereof.

- E. Fines and penalties, including expenses reasonably incurred in avoiding or mitigating same, for the violation of any of the laws of the United States, or any State thereof, or of any foreign country, PROVIDED, however, that the Underwriters shall not be liable to indemnify the Insured against any such fines or penalties resulting directly or indirectly from the failure, neglect, or default of the Insured or his managing officers or managing agents to exercise the highest degree of diligence to prevent a violation of any such laws.
- F. Extraordinary expense arising from an outbreak of contagious disease, PROVIDED that the Vessel was not ordered by anyone acting on behalf of the Insured to proceed to a port where such disease was known or supposed to exist.
- G. Costs incurred with the written consent of the Underwriters, or reasonably incurred prior to receipt of advices from Underwriters, for investigation and defense of claims, valid or not, within the scope of this Coverage Part.
- H. Port charges incurred solely for the purpose of putting in to land an injured or sick seaman or passenger, and the net loss to the Insured in respect of bunker, insurance, stores and provisions as the result of the deviation.

III. EXCLUSIONS

Notwithstanding anything to the contrary elsewhere herein the Underwriter will not be liable in respect of any of the following matters:

- A. Any liability assumed under contract or otherwise.
- B. Any liability for any loss of, damage to, or expense in respect of, cargo or other property (including baggage and personal effects of passengers, mail and parcel post) carried, to be carried or which had been carried on board the Vessel, EXCEPT, HOWEVER, such liability imposed under the doctrine of cross liabilities for cargo on board the Vessel for which there is not coverage under any other policy held by the Insured.
- C. Any liability or claim for, or any loss of, or expense in respect of property owned (other than vessel(s) bareboat chartered to others), leased, chartered, hired, managed or operated by the Insured and/or its affiliated and/or subsidiary companies and/or corporations.
- D. Engagement in unlawful trade or performance of an unlawful act with knowledge of the Insured.
- E. Cancellation or breach of any contract.
- F. Bad debts.
- G. Fraud, dishonesty or insolvency of the Insured, its agents or others.

- H. Salvage charges, special charges, general average, freight, detention, demurrage or loss of use, of the Vessel.
- I. Any liability for, or any loss, damage or expense while engaged in, or resulting from, any commercial diving operation or service from the Vessel, EXCEPT, HOWEVER, any liability incurred when the Vessel's crew is engaged in inspection or repair of the Vessel which could not be deferred until commercial divers were available.
- J. Any Liability for, or any loss, damage or expense while engaged in, or resulting from swimming, snorkeling, water skiing, para-sailing or scuba diving or similar activities.

IV. LIMIT OF LIABILITY

The amount we will pay for damages is limited to the Combined Single Limits of Insurance listed in the Declaration. Refer to "Combined Single Limits of Insurance", endorsement attached to Section I – Declarations.

V. ADDITIONAL CONDITIONS

- A. Pilotage and Towage – This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots, tug, towboats, or their owners when the Insured or the agent of the insured accepts such contract in accordance with established local practice.
- B. Duration of Risk – Should the Vessel at the expiration of this Policy be at sea, or in distress, or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.
In the event of payment by the Underwriters for Total Loss of the Vessel this Coverage Part shall thereupon automatically terminate.
- C. Change of Ownership – If the Vessel is sold, demise chartered or requisitioned the Coverage Part shall terminate on the date and at the hour when such disposition of the Vessel is effective and the Underwriters will return premium on a pro rata daily basis for the unexpired term.
- D. Premium Fully Earned – In the event of payment by the Underwriter for Total Loss of the Vessel the premium shall be fully earned and no return premium shall be due for any unexpired policy term.
- E. Waiver of Subrogation – Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Insured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise

chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss, damage, or expense against which such companies are insured.

- F.** Navigational Warranty – Warranted that the Vessel shall be confined to the Navigational Area described in the Declarations. If a vessel exceeds the Navigation Area, then all coverage herein is suspended until the vessel safely returns to the Navigation Area.

- G.** Deductible – This Coverage Part is subject to the Combined Single Deductible shown in the Declarations. Refer to "Combined Single Deductible" endorsement attached to Section I –Declarations.

H. Definitions:

- 1.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

COVERAGE ENDORSEMENT TO SECTION I – PART II – PROTECTION & INDEMNITY CREW ENDORSEMENT

In consideration of the additional premium shown in the Declarations, it is understood and agreed that coverage under Section I – Coverage Part II – Protection & Indemnity, is extended to include Crew Liability coverage, as follows:

1. The following words and/or clauses in Section I – Coverage Part II – Protection & Indemnity Insuring Conditions (form IMU 0012) are DELETED:
 - a. The words "Jones Act, Death on the High Seas Act, General Maritime Law" Clause II.A.1.
 - b. The entirety of Clause II.A.2.
 - c. The entirety of Clause II.A.3.
 - d. The words "other than a captain or crew member of the vessel" in Clause II.B.
2. With respect to Crew Coverage provided by this endorsement only, the following Coverage Clause is added to paragraph II – **COVERAGES** of Protection & Indemnity Insuring Conditions (form IMU 0012):

Repatriation expenses of crew member, excepting such as arise from the termination of any agreement in accordance with its terms, or the sale of the Vessel or other voluntary act of the Insured. Wage may be included in such expense when a statute requires payment of wages while awaiting and during repatriations.
3. With respect to Crew Coverage provided by this endorsement only, the following is added to paragraph V – **ADDITIONAL CONDITIONS** of Protection & Indemnity (form IMU 0012):

It is a condition of the Crew Coverage provided by this endorsement that the number of crew members employed aboard the insured vessel(s) at any one time shall not exceed the number shown on the Declarations page. In the event additional crew members are to be employed, the insured shall give prior notice to the Company and pay such additional premium as is required. If the insured shall fail to give such prior notice and at the time of loss in respects to crew there are more crew employed, this insurance shall respond only in the proportion that the stated number of crew bears to the number on board at the time of the loss.

COVERAGE ENDORSEMENT TO SECTION I – COVERAGE PART III – TRAVELING WORKMEN ENDORSEMENT

In consideration of the additional premium shown on the Declarations, the following paragraph is added to:

I. COVERAGE

A. COVERED PROPERTY

4. Watercraft and their equipment, cargoes, freight and other interest on board while such watercraft are at sea or in any port within the United States whenever persons employed by or on your behalf are on board the watercraft for the purpose of repair or alterations.

SECTION I COVERAGE PART III

MISCELLANEOUS BAILEE INSURANCE CONDITIONS

Subject to the General Exclusions from Coverage (Section IV) and the General Conditions to Coverage (Section V), this Coverage Part insures your liability for the Covered Operations described in the Declarations Page for physical loss, damage or expense to property of others arising from an "occurrence" during the policy period as set forth hereunder.

In the event this Coverage Part differs from the General Conditions to Coverage (Section V), the General Conditions shall be considered paramount and shall override anything to the contrary herein.

Other words and phrases that appear in quotation marks have special meaning. Refer to – Definitions.

I. COVERAGE

We will pay on behalf of the Insured all sums, subject to the Combined Single Limits of Insurance, for which the Insured shall become legally obligated to pay by reason of liabilities (including wreck removal) imposed upon the insured by law for physical loss, damage or expense to:

A. COVERED PROPERTY

1. Watercraft and their equipment, cargoes, freight and other interest on board while in your care, custody, or control for the purpose of performing the Covered Operations described in the Declarations at the location(s) scheduled in the Declarations.
2. Watercraft and their equipment, cargoes, freight and other interest on board in your care, custody, or control while being moved, shifted, operated, towed or navigated away from the scheduled location(s) within a 25 mile radius of the scheduled location(s) in connection with the Covered Operations described in the Declarations.
3. Other property described in the Declarations while in your care, custody or control for the purpose of performing the Covered Operations described in the Declarations at the location(s) scheduled in the Declarations.
4. Property covered in A.3. above while in transit within the continental United States or Canada going to or from a location(s) scheduled in the Declarations.

Wreck removal does not apply to cost to:

1. Extract "pollutants" from land or water; or
2. Remove, restore or replace polluted land or water.

It is a condition of this coverage that any employee or agent of the insured or any sub-contractor hired by the insured to navigate or

operate a watercraft covered under A.2. above shall possess such license as is required by the United States Coast Guard or other applicable regulatory authority to perform the duties being carried out. If, at the time of a covered loss, you have not met this condition of coverage and the loss results from a watercraft covered under A.2. above being navigated or operated then the Each Occurrence Limit shown in the Declarations shall be reduced to \$100,000.

B. PROPERTY NOT COVERED

1. Property, including watercraft, owned, chartered, leased or rented by the insured.
2. Accounts, bills, deeds, evidences of debt, currency, money, bullion, notes, securities, jewelry, fine arts, manuscripts, mechanical drawings, blue prints, or other valuable papers, documents or records.

II. ADDITIONAL COVERAGE

A. Voluntary Wreck Removal

We will pay for your expenses, after deducting any proceeds of the salvage, actually incurred by you in removing the wreck of a watercraft covered under A.1., above from any scheduled location shown in the Declarations.

Voluntary Wreck Removal does not apply to costs to:

1. Extract "pollutants" from land or water; or
2. Remove, restore or replace polluted land or water.

The most we will pay under this additional coverage, Voluntary Wreck Removal, is \$25,000. This is additional insurance and not part of the Combined Single Limits of Insurance.

B. Debris Removal

We will pay your expense to remove debris of Covered Property other than a watercraft from a location scheduled in the Declarations

caused by or resulting from a loss covered under this Coverage Part that occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

Debris Removal does not apply to costs to:

1. Extract "pollutants" from land or water; or
2. Remove, restore or replace polluted land or water.

The most we will pay under this additional coverage, Debris Removal, is \$25,000. This is additional insurance and not part of the Combined Single Limits of Insurance.

C. Bonds

We will pay all premiums on bonds to release attachments for an amount not in excess of the Combined Single Limits of Insurance, all premiums on appeal bonds required in any defended "suit", but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any "suit", all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the Combined Single Limits of Insurance.

D. Defense

We have the right and duty to defend the insured against any "suit" seeking damages to which this Coverage Part applies. However, we will have no duty to defend the insured for damages to which this insurance does not apply. We may at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements including expenses and defense costs.

III. LIMIT OF LIABILITY

The amount we will pay for damages is limited to the Combined Single Limits of Insurance shown in the Declaration. Refer to "Combined Limits of Insurance" endorsement attached to Section I – Declarations.

IV. EXCLUSIONS

- A. "Bodily Injury" or "Personal Injury".
- B. Any liability assumed under contract or otherwise in extension of the liability which would have been imposed upon the insured by law in the absence of contract.
- C. To the extent that the insured has the benefit of any release from liability by contract or statute.

D. Demurrage, loss of use, loss of market, loss of freight, loss of charter, or other consequential loss extending beyond the direct physical loss or damage to the covered property.

E. Collision liability, tower's liabilities or liabilities insured against under the Protection and Indemnity Coverage Part of this policy arising out of the operation of any watercraft owned by, or demise chartered to, the insured or any affiliated or subsidiary concern or party.

F. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

1. Acting alone or in collusion with others; or
2. Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

G. Willful illegal sale of property by the Insured; willful conversion or willful or wrongful secretion.

H. Loss or damage or expense directly or indirectly caused by wear, tear, insect, vermin gradual deterioration or inherent vice.

I. Unexplained disappearance or shortage disclosed upon taking of inventory.

J. The expense of redoing the work improperly performed by or on behalf of the Insured or the cost of replacement of material, parts or equipment furnished in connection therewith.

K. The cost or expense of repairing, replacing or renewing any faultily designed part or parts which cause(s) loss of or damage to watercraft, or for any expenditure incurred by reason of a betterment or alteration in design.

L. Any loss of or damage to Covered Property occurring while in the care, custody and control of the Insured, but not discovered within sixty days of the delivery of the Covered Property to the owner, or within sixty days after work is completed, whichever first occurs.

V. ADDITIONAL CONDITIONS

A. Deductible

This Coverage Part is subject to the Combined Single Deductible shown in the Declarations. Refer to "Combined Single Deductible" endorsement attached to Section I – Declaration.

B. Definitions

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
3. "Personal injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
4. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

SECTION II COVERAGE PART I

HULL PHYSICAL DAMAGE INSURING CONDITIONS

Subject to the General Exclusions from Coverage (Section IV) and the General Conditions to Coverage (Section V), this Coverage Section insures your Scheduled Watercraft for Direct Physical damage.

In the event this Coverage Part differs from the General Conditions to Coverage (Section V), the General Conditions shall be considered paramount and shall override anything to the contrary herein.

Throughout this policy the words "vessel" and "vessels" refer to the watercraft scheduled in the Declarations. If more than one vessel is scheduled, then each vessel shall be deemed to be separately insured. The words "underwriter" and "underwriters" refer to the Company providing this insurance.

I. VESSEL

The subject matter of this insurance is the Vessel(s) scheduled in the Declarations. For the purposes of this insurance the vessel shall consist of and be limited to her hull, launches, life boats, rafts, furniture, bunkers, stores, supplies, tackle, fitting, equipment, apparatus, machinery, boilers, refrigerating machinery, insulation, motor generators and other electrical machinery.

In the event any equipment or apparatus not owned by the Insured is installed for use on board the Vessel and the Insured has assumed responsibility therefore, it shall also be considered part of the Subject Matter and the aggregate value thereof shall be included in the Agreed Value.

Notwithstanding the foregoing, cargo containers, barges and lighters shall not be considered a part of the Subject Matter of this Insurance.

II. COVERED PERILS

A. Adventure – Beginning the adventure upon the Vessel, as above, and so shall continue and endure during the period of the policy, as employment may offer, in port or at sea, in docks and graving docks, and on ways, gridirons and pontoons, at all times, in all places, and on all occasions, services and trades; with leave to sail or navigate with or without pilots, to go on trials trips and to assist and tow vessels or craft in distress, but the vessel may not be towed, except as is customary or when in need of assistance, nor shall the Vessel render assistance or undertake towage or salvage services under contract previously arranged by the Insured, the Owners, the Managers or the Charterers of the Vessel, nor shall the Vessel, in the course of trading operations, engage in the loading or discharging cargo at sea, from or into another vessel other than a barge, lighter or similar craft used principally in harbors or inland waters. The phrase "engaged in loading or discharging cargo at sea" shall include while approaching, leaving or alongside, or while another vessel is approaching, leaving or alongside the Vessel.

The Vessel is held covered in case of any breach of conditions as to cargo, trade, locality, towage or salvage activities, or date sailing, or loading or discharging cargo at sea provided (a) notice is given to the Under-writers immediately following receipt of knowledge thereof by the Insured and (b) any amended terms of cover and any additional premium required by the Underwriter are agreed to by the Insured.

B. Perils – Touching the Adventures and Perils which the Underwriters are contented to bear and take upon themselves, they are of the Seas, Men-of-War, Fire, Lightning, Earthquake, Enemies, Pirates, Rovers, Assailing Thieves, Jettisons, Letter of Mart and Counter-Mart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and Peoples of what nation, condition or quality soever, Barratry of the Master and Mariners and of all like Perils, Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the Vessel, or any part thereof, excepting, however, such of the foregoing perils as may be excluded by provisions elsewhere in the Policy or by endorsement thereon.

III. ADDITIONAL PERILS

A. Inchmaree – This insurance also covers loss of or damage to the Vessel directly caused by the following:

1. Accidents in loading, discharging or handling cargo, or in bunkering;
2. Accidents in going on or off, or while on drydocks, graving docks, ways, gridirons or pontoons;
3. Explosions on shipboard or elsewhere;
4. Breakdown of motor generators or other electrical machinery and electrical connections thereto, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, (excluding the cost and expense of replacing or repairing the defective part);

5. Breakdown of or accidents to nuclear installations or reactors not on board the insured Vessel;
6. Contact with aircraft, rockets, or similar missiles, or with any land conveyance;
7. Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Insured hereunder;
8. Negligence of Master, Officers, Crew or Pilots;

Provided such loss or damage has not resulted from want of due diligence by the Insured, the Owners or Managers of the Vessel, or any of them. Masters, officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

- B. Deliberate Damage (Environmental Hazard)**
 —This insurance also covers loss of or damage to the Vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate an environmental hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this Policy, provided such act of governmental authorities has not resulted from want of due diligence by the Insured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

IV. ADDITIONAL COVERAGE

- A. General Average and Salvage** – General Average and Salvage shall be payable as provided in the contract of affreightment, or failing such provision or there be no contract of affreightment, payable at the Insured's election either in accordance with the York-Antwerp Rules as agreed or with the Laws and Usages of the Port of New York. Provided always that when an adjustment according to the laws and usages of the Port of destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly.

In the event of salvage, towage or other assistance being rendered to the Vessel by any vessel belonging in part or in whole to the same Owners or Charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be ascertained by arbitration in the manner provided for under the Collision & Towers

Liability clause in the Protection & Indemnity Coverage Part of this policy, and the amount so awarded so far as applicable to the interest hereby insured shall constitute a charge under this Policy.

When the contributory value of the Vessel is greater than the Agreed Value herein, the liability of the Underwriters for General Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total contribution due from the Vessel which the amount insured hereunder bears to the contributory value, and if, because of damage for which the underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the amount of such Particular Average damage recoverable under this Policy shall first be deducted from the amount insured hereunder, and the Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value.

- B. Sue and Labor** – In Case of any Loss or Misfortune, it shall be lawful and necessary for the Insured, their Factors, Servants and Assigns, to sue labor and travel for, in, and about the defense, safeguard and recovery of the Vessel, or any part thereof, without prejudice to this insurance, to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no acts of the Underwriters or Insured in recovering, saving or preserving the Vessel shall be considered as a waiver or acceptance of abandonment.

In the event of expenditure under the Sue and Labor Clause, the Underwriters shall pay the proportion of such expenses that the amount insured hereunder bears to the Agreed Value, or the amount insured hereunder (less loss and/or damage payable under this policy) bears to the actual value of the salvaged property, whichever proportion shall be less; provided always that their liability for such expense shall not exceed their proportionate part of the agreed Value.

If the claim for Total Loss is admitted under this Policy, and sue and labor expenses have been reasonably incurred in excess of any proceeds realized or value recovered, the amount payable under this Policy will be the proportion of such excess that the amount insured hereunder (without deduction for loss or damage) bears to the Agreed Value or the sound value of the Vessel at the time of the

accident, whichever value was greater; provide always the Underwriter's liability for such expenses shall not exceed their proportionate part of the Agreed Value. The foregoing shall also apply to expenses reasonably incurred in salving or attempting to save the Vessel and other property to the extent that such expense shall be regarded as having been incurred in respect to the Vessel.

- C. SR & CC & Vandalism** – This insurance also covers damage to or destruction of the property insured directly caused by strikers, locked out workmen, or persons taking part in labor disturbances or riots or civil commotions or caused by vandalism, sabotage or malicious mischief. However, warranted free from any claim for delay, detention or loss of use.

Nothing in this clause shall be deemed to override any other exclusion in this policy including, but not limited to, the War Risk and Terrorism Exclusions contained in Section IV, General Exclusions from coverage.

V. ADDITIONAL CONDITIONS

- A. Total Loss** – In ascertaining whether the Vessel is a constructive Total Loss the Agreed Value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or Wreck shall be taken into account.

There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would exceed the Agreed Value. In making this determination, only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall not be considered if such are to be claimed separately under the Sue and Labor Clause.

In the event of a Total Loss (actual or constructive) no claim to be made by the Underwriters for freight, whether notice of abandonment has been given or not.

In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total loss sustained during the period covered by the Policy.

- B. Pilotage and Towage** – This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots, tug, towboats, or their owners when the Insured or the agent of the insured accepts such contact in accordance with established local practice.

- C. Change of Ownership** – If the Vessel is sold, demise chartered or requisitioned this Coverage Part shall terminate on the date and at the hour when such disposition of the Vessel is effective and the Underwriters will return premium on a pro rata daily net basis for the unexpired term.

- D. Additional Insurances** – It is a condition of the Coverage Part that there shall be no additional insurance against risk of total loss of the vessel shall be effected to operate during the currency of this Policy by or for account of the Insured, Owners, Manager, Operator or Mortgagees

- E. Claims (General Provisions)** – In the event of any accident or occurrence which could give rise to a claim under this Coverage Part, prompt notice thereof shall be given to the Underwriters, and:

1. Where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor, if they so desire;
2. The underwriters shall be entitled to decide where the Vessel shall proceed for docking and/or repair (allowance to be made to the Insured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement);
3. The Underwriters shall have the right to veto in connection with any repair firm proposed;
4. The Underwriters may take tenders or may require in writing that tender be taken for the repairs of the Vessel, in which event, upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 percent. per annum on the amount insured, for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender and the acceptance of a tender, to the extent that such time is lost solely as the result of tenders having been taken and provided the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowances in (b) and (d) above for any amount recovered;

- a. In respect of fuel, stores, and wages and maintenance of the Master, Officers or Crew members allowed in General or Particular Average;

- b. From third parties in respect of damages for detention and/or loss of profit and/or running expenses;

for the period covered by the allowances or any part thereof.

No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers or Crew, except when incurred solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips to test average repairs, in which cases wages and maintenance will be allowed only while the Vessel is underway. This exclusion shall not apply to overtime or similar extraordinary payments to the Master, Officer or Crew incurred in shifting the Vessel for tank cleaning or repairs or while specifically engaged in these activities, either in port or at sea.

General and Particular Average shall be payable without deduction, new for old.

The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.

No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

In the event of loss or damage to equipment or apparatus not owned by the Insured but installed for use on board the Vessel and for which the Insured has assumed responsibility, claim shall not exceed (1) the amount the Underwriters would pay if the Insured were the owner of such equipment or apparatus, or (2) the contractual responsibility assumed by the Insured to the owners or lessors thereof, whichever shall be less.

No claim for unrepaired damage shall be allowed, except to the extent that the aggregate damage caused by perils insured against during the period of this Policy and left unrepaired at the expiration the Policy shall be demonstrated by the Insured to have diminished the actual market value of the Vessel on that date if undamaged by such perils.

- F. Duration of Risk** – Should the Vessel at the expiration of this Policy be at sea, or in distress, or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate.

- G. Other than Owner** – If claim is made under this Policy by anyone other than Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner, had claim been made by the Owner as an Insured Named in this Policy.

- H. Waiver of Subrogation** – Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Insured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss, damage, or expense against which such companies are insured.

- I. Premium Fully Earned** – In the event of payment by the Underwriter for Total Loss of the Vessel the premium shall be fully earned and no return premium shall be due for any unexpired policy term.

- J. Deductible**

We will not pay for loss in any one occurrence until the amount of the loss before applying the applicable Agreed Valuation and Amount of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the loss in excess of the Deductible, up to the applicable Agreed Valuation and Amount of Insurance. In the event of Total or Constructive Total Loss, however, the deductible shall not apply.

- K. Navigational Warranty**

Warranted that the Vessel shall be confined to the Navigational Area described in the Declarations. If a vessel exceeds the Navigation Area, then all coverage herein is suspended until the vessel safely returns to the Navigation Area.

VI. AGREED VALUE AND AMOUNT INSURED

The Vessel, for so much as concerns the Insured, by agreement between the Insured and the Underwriters in this Policy is and shall be valued at and Insured for the amount shown in the Declarations.

SECTION IV GENERAL EXCLUSIONS FROM COVERAGE APPLICABLE TO ALL SECTIONS

Notwithstanding anything to the contrary provided for in any of the Coverage Sections and Coverage Parts or the General Conditions to Coverage of this Program, the following exclusions from coverage shall be considered paramount and shall override anything stated to the contrary in any of the Coverage Sections and Coverage Parts and in the General Conditions to Coverage unless specifically noted otherwise.

A. Extended Radioactive Contamination Exclusion Clause (RACE March 1, 2003)

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from:

1. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (3/1/03) provided that:

If fire is an insured peril, and, where the subject matter is within the USA, its islands, onshore territories or possessions, and, a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses **A.1.**, **A.2.** and **A.4.** of the Extended Radioactive Contamination Exclusion Clause 3/1/03, any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

B. War Risk Exclusion

This insurance does not apply to loss, damage, liability or expense directly or indirectly caused by, contributed to or resulting from:

1. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - a. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
 - b. By military, naval or air forces; or
 - c. By an agent of any such government, power, authority or forces, except when such agent is acting secretly and not in connection with any operation of armed forces (whether military, naval or air forces) in the country where the property is situated.
2. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
3. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority;

C. Terrorism Exclusion

This policy excludes loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Terrorism means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or

- d. Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and
2. When one or both of the following applies:
- a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

If this policy provides Marine Property Coverage under Section III - Coverage Part III and:

- 1. If terrorism results in fire and;
- 2. The insured property involved is located where by state statute the ensuing fire is covered; then
- 3. This policy will pay for the loss or damage caused by that fire but only to direct loss or damage by fire to Covered Property under Section III – Coverage Part III. Therefore, for example, the exception does not apply to insurance provided under Business Income and/or Extra Expense coverage or endorsements which apply to those coverages.

D. Chemical, Biological, Bio-Chemical and Electromagnetic Weapon Exclusion

This insurance does not apply to loss, damage, liability or expense directly or indirectly caused by, or contributed to or resulting from any chemical, biological, bio-chemical or electromagnetic weapon.

E. Punitive Damages Exclusion

This insurance does not apply to loss, damage, liability or expense directly or indirectly imposed on the Insured as punitive or exemplary damages, however described and under whatever circumstances.

F. Absolute Pollution Exclusion

Except for the Limited Pollution Liability coverage provided in Section I Coverage Part IV and Pollution Physical Damage provided in Section III Coverage Part IV, the following exclusion applies to all coverage provided under all other Sections and Coverage Parts of this insurance.

The intent and effect of this exclusion is to delete from any and all coverages afforded by this insurance (except as provided in Section I Coverage Part IV and Section III Coverage Part IV) any "occurrence", claim, suit, cause of action,

liability, settlement, judgment, defense costs or expenses in any way arising out of a "release" of "pollutants" whether or not such "release" arises out of the activities of the Insured or the activities of others and whether or not such "release" is sudden or gradual and whether or not such "release" is expected, intended, foreseeable, fortuitous, accidental or inevitable, and wherever such "release" occurs.

- 1. This insurance does not cover any loss, damage or expense to the property insured under Section II, or Section III, directly or indirectly caused by or arising out of, contributed to or resulting from the actual, alleged or threatened "release" of "pollutants". This includes debris removal coverage or any additional coverage or extensions of coverage provided under any of these coverage sections.
- 2. This insurance does not cover under Sections I, II, or III, any loss, damage, liability or expense that the insured may become liable to pay directly or indirectly caused by or arising out of, contributed to or resulting from the actual, alleged or threatened "release" of "pollutants" into or upon land, the atmosphere or any watercourse, water supply reservoir or body of water.
- 3. As respects Sections I, II and III this insurance does not cover any liability for "bodily injury" or "property damage" directly or indirectly arising out of, contributed to or resulting from the actual, alleged or threatened "release" of "pollutants".
- 4. As respects Sections I, II and III, any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

G. Health Hazard Exclusion

- 1. This insurance does not apply to loss, damage, liability, or expense (including "bodily injury", "property damage", "personal injury" or "advertising injury" as defined in Coverage Section I Coverage Part I) arising out of or caused by:

- a. Asbestos, asbestos fibers or products containing asbestos;
 - b. "Lead";
 - c. "Polychlorinated biphenyl";
 - d. Silica; or
 - e. Benzene;
2. Including but not limited to:
- a. Inhalation of, ingestion or absorption of, or any singular or continuous or intermittent exposure to any of the above or any goods or products containing any of the above; or
 - b. The use of any of the above in any goods, products or structures; or
 - c. The manufacture, transportation, storage, handling, distribution, sales, application, mining, consumption or disposal of any of the above.
3. Any obligation of the Insured to indemnify or contribute with another because of damages arising out of such injury or damage; or
4. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection therewith.
5. This insurance does not apply to loss, damage, liability, or expense (including "bodily injury", "property damage", "personal injury" or "advertising injury" as defined in Coverage Section I Coverage Part I) directly, indirectly, concurrently or otherwise due to, caused by, arising out of, resulting from, contributed to, aggravated by or in any way related to:

The continuous, intermittent or repeated exposure to ingestion of, inhalation of or absorption of any substance, material, product, waste, emission, noise or environmental disturbance for which the Insured is or may be liable for any reason including but not limited to as a result of manufacture, production, extraction, sales, handling, utilization, distribution, disposal or creation by or on behalf of the Insured or such substance, material, product, waste, emission, noise or environmental disturbance.

6. It is further agreed that the Company shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim or suit excluded herein.

H. Employment Related Practices Exclusion

This insurance does not apply to:

1. "Bodily Injury" and/or "Personal Injury" and/or "Advertising Injury" (as defined in Coverage

Section III) to:

- a. A person arising out of any:
 - (1) Refusal to employ that person.
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, employment references, negligent hiring, defamation, harassment, humiliation or discrimination directed at that person; or
- 2. The spouse, child, parent, brother or sister of that person as a consequence of bodily injury and/or personal and advertising injury to that person at whom any of the employment-related practices described in paragraphs 1.a.(1),(2) or (3) above is directed.
- 3. This exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

I. Exclusion of Certain Computer-Related Losses

The following applies to coverage provided under Sections III.

1. We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
- a. The failure, malfunction or inadequacy of:
 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) Computer hardware, including micro-processors;
 - (b) Computer application software;
 - (c) Computer operating systems and related software;
 - (d) Computer networks;
 - (e) Microprocessors (computer chips) not part of any computer system; or
 - (f) Any other computerized or electronic equipment or components; or
 - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon,

in any manner, any of the items listed in 1.a. above; due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in 1.a. above.
2. If an excluded Cause of Loss as described in Paragraph 1. above results:
 - a. In a Covered Cause of Loss under the Crime Coverage Part III, the Equipment Coverage Part II; or
 - b. Under the Fixed Marine Property Coverage Part III in a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Part II;

We will pay only for the loss or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

3. We will not pay for repair, replacement or modification of any items in Paragraphs 1.a.(1) and 1.a.(2) to correct any deficiencies or change any features.

J. United States Economic and Trade Sanctions Clause

Whenever coverage provided by this policy would be in violation of any United States economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of United States economic or trade sanctions as described above shall also be null and void.

K. AIMU Cyber Exclusion (11/6/2015)

In no case shall this insurance cover loss, damage, liability, or expense directly or indirectly caused by or contributed to or arising from

1. any "malicious act" involving the use of any "computer system", "electronic data communications system", "computer virus", or process or any other electronic system; and/or

2. any access to or disclosure of any "personally identifiable information" or any person's or organization's confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, or any other type of nonpublic information; and/or
3. any action or omission that violates or is alleged to violate any federal, state or local statute that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of any written or electronic material or information.

Where this policy provides coverage for War Risks, section 1 above shall not operate to exclude losses which would otherwise be covered by such War Risks coverage.

Definitions (Pertaining to this Clause K. only)

"Computer system" means computer hardware of any kind; "electronic computer program"; "electronic data processing media"; operating system; media microchip; microprocessor (computer chip); integrated circuit or similar device; computer network and networking equipment; firmware; server; website; extranet; and all input, output, processing, storage, and off-line media libraries.

"Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a "computer system" or network of whatsoever nature.

"Electronic computer program" means computer software, application software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data".

"Electronic data" means information or knowledge recorded or transmitted in a form usable in a "computer system", microchip, integrated circuit or similar device in non-computer equipment, and which can be stored on "electronic data processing media" for use by an "electronic computer program".

"Electronic data communications system" means any communication system, including a "computer system" and the internet, which provides the Assured with access to another "computer system", microchip, integrated circuit or similar device in non-computer equipment, or which provides any party access to the Assured's

"computer system", microchips, integrated circuits or similar devices in non-computer equipment.

"Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "Electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. Money or securities are not "electronic data processing media".

"Malicious act" shall mean the intentional and wrongful action or actions of one or more persons, whether or not agents of a sovereign power.

"Personally identifiable information" shall mean information, whether printed or digital, encrypted or unencrypted, in the care custody or control of any Assured which alone or in conjunction with other information can be used to uniquely identify an individual. However, "personally identifiable information" does not include information which is lawfully available to the general public.

L. General Definitions

1. "Asbestos" means all forms of actinolite, amosite, anthophyllite, chrysotile, crocidolite, tremolite, asbestos containing materials, asbestos products, asbestos fibers, asbestos dust, asbestos waste, or any goods, products, or structures containing asbestos.
2. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Lead" means all lead, lead dust, lead-based products, lead-containing materials, lead-containing waste, or any goods, products, or structures containing lead.
4. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
5. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
6. "Polychlorinated biphenyl" means any product which is known as polychlorinated biphenyl, contains polychlorinated biphenyl, has the same chemical formula as polychlorinated biphenyl, is a derivative of polychlorinated biphenyl, or is generally known in the chemical trade as having a like formulation, structure, or function as polychlorinated biphenyl regardless of the name under which it is manufactured, sold or distributed.
7. "Property Damage" means:
 - a. Physical injury to tangible property, including all resulting use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Release" means discharge, dispersal, seepage, release or escape of "pollutants".

COVERAGE SECTION V GENERAL CONDITIONS FOR COVERAGE APPLICABLE TO ALL COVERAGE SECTIONS

The following conditions to coverage apply to all Coverage Sections and Coverage Parts of this insurance program, including endorsements unless specifically noted otherwise.

1. Who is an Insured (Refer to Section I – Coverage Part I – Marine General Liability for definitions of the terms in quotes ("") below)

A. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

B. Each of the following is also an insured:

- (1) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - a. "Bodily injury" or "personal and advertising injury":
 - (i) To you, to your partners or members (if you are a partner-

ship or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (ii) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

- (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

- (iv) Arising out of his or her providing or failing to provide professional health care services.

b. "Property damage" to property:

- (i) Owned, occupied or used by,
- (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- (2) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- (3) Any person or organization having proper temporary custody of your property if you die, but only:

- a. With respect to liability arising out of the maintenance or use of that property; and
- b. Until your legal representative has been appointed.

(4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties.

C. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- (1) "Bodily injury" to a co-"employee" of the person driving the equipment; or
- (2) "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

D. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- (2) Coverage **A** in the Marine General Liability Section I Coverage Part I does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- (3) Coverage **B** in the Marine General Liability Section I Coverage Part I does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

This insurance applies separately to each Insured against whom claim is made or suit is brought, but the inclusion herein of more than one Insured shall not operate to increase the applicable limit of this Company's liability.

2. Claim Costs and Expenses

The cost of defending any suit against the Insured on any claim based on a liability or an alleged liability of the Insured covered by any of the liability Coverage Parts of Section I, shall be payable by this insurance if the amount of the claim hereunder exceeds the amount of the deductible shown in the Declarations, but this insurance shall not be liable for the cost or expense of prosecuting or defending any suit unless the same shall have been incurred with the written consent of this Company. This Company, however, reserves the right of naming attorneys who shall represent the Insured in prosecution or defense of any litigation or negotiations between the Insured and third parties concerning any claim covered by this policy, and shall have the direction of such litigation or negotiations. If the Insured shall fail or refuse to settle any claim as authorized by this Company, the liability of this Company shall be limited to the amount for which settlement could have been made. The right and duty to defend end when the applicable limits of insurance shown in the Declarations has been exhausted in the payment of judgments and/or settlements and/or claim costs and expenses under the relevant Coverage Section; the costs and expenses of defending any suit against the Insured are included in determining when the applicable limits of insurance have been reached.

3. Records and Reports

The Company may examine and audit the Insured's books and records as they relate to this policy at any time during the policy period and up to three years afterward.

4. Inspections and Surveys

A. This Company has the right but is not obligated to:

- (1) Make inspections and surveys at any time;
- (2) Give you reports on the conditions found; and
- (3) Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. This Company does not make safety inspections nor undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

B. And this Company does not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to this Company, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

5. Representations

By accepting this policy, you agree:

- A. The statements in the Declarations are accurate and complete;
- B. Those statements are based upon representations you made to us; and
- C. We have issued this policy in reliance upon your representations.

6. Concealment, Misrepresentation or Fraud

This insurance Policy shall be void as to all interests insured if, whether before or after a loss, any insured hereunder has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interests of the insured therein, or in the case of any fraud or false swearing by any insured hereunder relating thereto.

7. Duties In The Event Of Occurrence, Offense, Claim Or Suit Under Section I

- A. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- B. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- C. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- D. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

8. Legal Action Against Us Under Section I

No person or organization has a right under Section I of this policy:

- A. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- B. To sue us on this Section I unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Section I or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

9. Duties In The Event Of Loss Or Damage Under Section III

You must see that the following are done in the event of loss or damage to Covered Property:

- A. Notify the police if a law may have been broken.
- B. Give us prompt notice of the loss or damage. Include a description of the property involved.
- C. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- D. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- E. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- F. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
- G. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- H. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- I. Cooperate with us in the investigation or settlement of the claim.

10. Examination Under Oath

We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including any insured's books and records. In the event of an examination, an insured's answers must be signed.

11. Loss Payment under Section III

- A. In the event of loss or damage covered by Section III of this Policy, at our option, we will either:
 - (1) Pay the value of the lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in the Coverage Part or any applicable provision which amends or supersedes the Valuation Condition.
- B. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- C. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- D. We will not pay you more than your financial interest in the Covered Property.

- E. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- F. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- G. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

12. Subrogation

In the event of any payment under this policy the Company shall be subrogated to all the Insured's rights of recovery thereof against any person or entity, and the Insured shall do whatever necessary to secure such rights.

13. Impairment of Recovery Rights

If any act or agreement of the Insured, before or after a loss arises, impairs the Insured's right to recover from others, the Company will not cover the loss or damage; nor will the Company cover any loss or damage which the Insured settles or compromises without the written consent of the Company.

14. Cancellation

Either the first named Insured in the Declarations or the Company can cancel this policy or any individual Coverage Part at any time.

A. Cancellation By The Insured

The Insured can cancel this policy or any individual Coverage Part by sending the Company notice of the date the Insured wants the coverage to end. The Company will then refund any unearned portion of the premium you paid, on a short rate basis.

B. Cancellation by the Company

The Company can cancel the policy or any individual coverage section by sending to the Insured first named in the Declarations, at the address shown on the Declarations, notice of the effective date of cancellation. The Company must do this at least thirty (30) days prior to the cancellation date unless the Company is canceling the insurance because the Insured failed to pay premiums. In that case, the Company is required to give the Insured only ten (10) days notice. If notice is mailed, proof of mailing will be sufficient proof of notice that

the Insured was informed of the cancellation. The Company will also notify any mortgagee shown in the Declarations.

- C. Additional premium may be due and owing to this Company upon cancellation for those Coverage Parts underwritten on a reporting basis, since reports are to be rendered to the date of cancellation.

15. Conformity to Statutes

Terms of this insurance which are in conflict with the statutes of the State wherein this insurance is issued are hereby amended to conform to the minimum requirements of such statutes.

16. Transfer of Legal Rights

The Insured may not agree to transfer any legal rights or interest the Insured has in this policy without the prior written consent of the Company.

However, if the Insured is an individual and the Insured dies, the Company will provide the following coverage:

- A. The insured's legal representative, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
- B. Any person who has proper temporary legal custody of the Insured's property, but only with respect to liability arising out of the maintenance or use of that property and until a qualified legal representative is appointed.

17. No Benefit to Bailee

No person or organization, other than the Insured, having custody of Covered Property, will benefit from this insurance.

18. Other Insurance – (Applicable to all sections other than Section I – Coverage Part I which has its own Other Insurance clause)

- A. The Insured may have other insurance subject to the same or similar plan, terms, conditions and provisions as the insurance under any of the Coverage Sections of this Program. If so, the Company will pay its share of the covered loss or damage. That share is the proportion that the applicable Limit of Insurance under the pertinent Coverage Section bears to the Limits of Insurance of all insurance covering on the same basis.
- B. If there is other insurance covering the same loss or damage, other than that described in **18.1** above, the Company will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Company will not pay more than the applicable Limit of Insurance.

19. Changes

This policy contains all the agreements between the Insured and the Company concerning the insurance afforded. The Insured first named in the Declarations is authorized to make changes in the terms of this policy with the consent of the Company. This policy's terms can be amended or waived only by endorsement issued by the Company and made part of this insurance policy.

20. Time for Suit

- A. No action shall lie against the Company for the recovery of any liability loss sustained by the Insured unless such action be brought against the Company within one (1) year after the final judgment or decree is entered in the litigation against the Insured, or in case the claim against the Company accrues without the entry of such final judgment or decree, unless such action be brought within one (1) year from the date of the payment of such action.
- B. No action shall lie against the Company for the recovery of any claim for loss or damage to the Insured's own property (or other property insured on a first-party basis) unless commenced within one (1) year after the calendar date of the happening of the physical loss or damage out of which the claim is said to have arisen.
- C. Provided however, that where the limitations of time provided for in **20.1** and **20.2** are prohibited by the State wherein this insurance is issued, then and in that event no action under this insurance shall be sustainable unless commenced within the shortest limitation permitted under the laws of such State.

21. Mortgage Holders

- A. The term Mortgage Holder includes trustee.
- B. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interest may appear.
- C. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- D. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage part will then apply directly to the mortgage holder.

- E. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- F. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- G. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

22. Captions, Titles Clause

Captions, titles and indexes used in this insurance Program are used for ease of reference only, and are not to be used to interpret the terms, conditions, exclusions or limitations of the insurance provided under the program.

23. In Rem

It is understood and agreed that a claim otherwise covered by the terms and conditions of this insurance and brought "In Rem" shall be treated as a claim against the Named Insured, provided however, nothing in this clause shall be construed as affording coverage to any interest other than the Named Insured.

24. Reporting and Adjustment

If the premium for Coverage Section I, II and/or III is shown in the Declarations as a Deposit, then portions of Section I, II and/or III are subject to annual adjustment in accordance with our rules and rates.

At the close of each policy period, the Insured shall report to the Company within 30 days of the end of the policy period the rating basis information specified in the declarations and / or reporting provisions upon which the adjustment shall be based. The total Receipts are defined as gross income received from the covered operations.

Total Payroll is defined as the total compensation to all persons employed in the covered operations, including bonus and commissions.

The earned premiums shall be calculated separately for each Coverage Part by applying the figures reported above to the rates indicated in the Declarations.

- (1) If the earned premium is less than the deposit premium for the auditable portions, and the Coverage Part is not subject to a minimum premium, the difference shall be refunded to the First Named Insured.
- (2) If the earned premium exceeds the deposit premium for the auditable portions, the amount of such excess shall be paid by the Insured to the Company as an additional premium.

American Institute
CYBER EXCLUSION CLAUSE
(11/06/2015)

This clause shall be paramount and shall override anything contained in this insurance (including any endorsement(s)) inconsistent therewith.

In no case shall this insurance cover loss, damage, liability, or expense directly or indirectly caused by or contributed to or arising from

1. any "malicious act" involving the use of any "computer system", "electronic data communications system", "computer virus", or process or any other electronic system; and/or
2. any access to or disclosure of any "personally identifiable information" or any person's or organization's confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, or any other type of nonpublic information; and/or
3. any action or omission that violates or is alleged to violate any federal, state or local statute that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of any written or electronic material or information.

Where this policy provides coverage for War Risks, section 1 above shall not operate to exclude losses which would otherwise be covered by such War Risks coverage.

Definitions

"Computer system" means computer hardware of any kind; "electronic computer program"; "electronic data processing media"; operating system; media microchip; microprocessor (computer chip); integrated circuit or similar device; computer network and networking equipment; firmware; server; website; extranet; and all input, output, processing, storage, and off-line media libraries.

"Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a "computer system" or network of whatsoever nature.

"Electronic computer program" means computer software, application software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data".

"Electronic data" means information or knowledge recorded or transmitted in a form usable in a "computer system", microchip, integrated circuit or similar device in non-computer equipment, and which can be stored on "electronic data processing media" for use by an "electronic computer program".

"Electronic data communications system" means any communication system, including a "computer system" and the internet, which provides the Assured with access to another "computer system", microchip, integrated circuit or similar device in non-computer equipment, or which provides any party access to the Assured's "computer system", microchips, integrated circuits or similar devices in non-computer equipment.

"Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "Electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. Money or securities are not "electronic data processing media".

"Malicious act" shall mean the intentional and wrongful action or actions of one or more persons, whether or not agents of a sovereign power.

"Personally identifiable information" shall mean information, whether printed or digital, encrypted or unencrypted, in the care custody or control of any Assured which alone or in conjunction with other information can be used to uniquely identify an individual. However, "personally identifiable information" does not include information which is lawfully available to the general public.

Distribution Of Material In Violation Of Statutes

It is hereby understood and agreed that this insurance does not apply to any distribution of material in violation of statutes for “bodily injury” or “property damage” or personal and advertising injury” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

All other terms and conditions remain unchanged.